

AGENDA ITEM
9I

Date: February 9, 2021

Council Action Date: February 22, 2021

To: Honorable Mayor and City Council**From:** Alex D. McIntyre, City Manager
Antoinette M. Mann, City Clerk**Subject:** Ordinance for Second Reading – Ordinance of the City Council of the City of San Buenaventura, California, Amending Chapter 6.420 “Cannabis Delivery Services, of the San Buenaventura Municipal Code to allow for Commercial Cannabis Businesses in the City of San Buenaventura**RECOMMENDATION**

Waive the second reading in full and adopt the Ordinance of the City Council of the City of San Buenaventura, California, Amending Chapter 6.420 “Cannabis Delivery Services, of the San Buenaventura Municipal Code to allow for Commercial Cannabis Businesses in the City of San Buenaventura.

BACKGROUND

Attached for your reference are the proposed ordinance introduced and approved by the City Council on February 8, 2021 (Vote: 4-Yes [Councilmembers Brown, Halter, Friedman and Deputy Mayor Schroeder]; 2-No [Councilmember Johnson and Mayor Rubalcava] with 1-Vacant Position [District 4 City Councilmember]).

On February 8, 2021, City Council introduced this ordinance, for which this agenda item is the second reading. City Council also adopted a resolution that established the maximum number of allowed cannabis businesses and buffers from sensitive uses. The maximum number and buffers from sensitive uses was purposely put into a separate resolution, as opposed to being put directly into the ordinance, in order to allow the City Council the opportunity to adjust these numbers over time as needed. **This ordinance does not impact the buffers or number if cannabis businesses allowed.**

Prepared by: Antoinette Mann, City Clerk

ATTACHMENT

- A AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN BUENAVENTURA, CALIFORNIA, AMENDING CHAPTER 6.420, "CANNABIS DELIVERY SERVICES," OF THE SAN BUENAVENTURA MUNICIPAL CODE TO ALLOW FOR COMMERCIAL CANNABIS BUSINESSES IN THE CITY OF SAN BUENAVENTURA

ATTACHMENT A

ORDINANCE NO. 2021-_____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN BUENAVENTURA, CALIFORNIA, AMENDING CHAPTER 6.420, “CANNABIS DELIVERY SERVICES,” OF THE SAN BUENAVENTURA MUNICIPAL CODE TO ALLOW FOR COMMERCIAL CANNABIS BUSINESSES IN THE CITY OF SAN BUENAVENTURA

The Council of the City of San Buenaventura does ordain as follows:

Section 1. AMENDMENT TO CODE. Chapter 6.420, “Cannabis Delivery Services,” of the San Buenaventura Municipal Code is hereby amended to read as follows:

“Chapter 6.420 Commercial Cannabis Businesses

Section 6.420.010. Purpose and Intent.

It is the purpose and intent of this Chapter to implement the provisions of the Medicinal and Adult Use Cannabis Regulation and Safety Act (‘MAUCRSA’) to accommodate the needs of medically-ill Persons in need of Cannabis for medicinal purposes as recommended by their health care provider(s), and to provide access to same. It is also the purpose and intent of this Chapter to provide access to adult-use Cannabis for Persons aged 21 and over as authorized by the Control, Regulate and Tax Adult Use of Marijuana Act (‘AUMA’ or ‘Proposition 64’ approved by California voters in 2016), while imposing sensible regulations on the use of land to protect the City’s residents, neighborhoods, and businesses from disproportionately negative

impacts. As such, it is the purpose and intent of this Chapter to regulate the commercial Sale, Processing, manufacturing, testing, Delivery, and Distribution of Cannabis and Cannabis Products in a responsible manner to protect the health, safety, and welfare of the residents of the City of San Buenaventura and to enforce rules and regulations consistent with state law.

Section 6.420.020. Legal Authority.

This Chapter is adopted pursuant to the authority granted to the City of San Buenaventura by Sections 5 and 7 of Article XI of the California Constitution, and the provisions of the Medicinal and Adult Use Cannabis Regulation and Safety Act (hereinafter 'MAUCRSA').

Section 6.420.030. Definitions.

All definitions pertaining to Cannabis regulation that appear in Business and Professions Code Section 26001, as codified by Senate Bill 94, the Medical and Adult Use Cannabis Regulation and Safety Act of 2017 (MAUCRSA), are hereby incorporated by reference. Definitions appearing in this ordinance are either those that are not covered by state law, pre-date Proposition 64 and the MAUCRSA, or are outside the scope of Section 26001.

- (a) 'Adult Use Cannabis' or 'Adult Use Cannabis Product' means a Cannabis or Cannabis Product, respectively, intended to be sold for non-medical or adult recreational use pursuant to the Adult Use of Marijuana Act of 2016

(Proposition 64) and the MAUCRSA, Chapter 27, Statutes of 2017.

- (b) 'Applicant' means an Owner applying for a Cannabis Business Permit or Cannabis Delivery Service Permit.
- (c) 'Bureau' means the Bureau of Cannabis Control with the California Department of Consumer Affairs, formerly named the Bureau of Marijuana Control, the Bureau of Medical Cannabis Regulation, and the Bureau of Medical Marijuana Regulation.
- (d) 'Cannabis' means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, Manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. 'Cannabis' also means the separated resin, whether crude or purified, obtained from Cannabis. 'Cannabis' does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, Manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this division, 'Cannabis' does not mean 'industrial hemp' as defined by Section 11018.5 of the Health and Safety Code.
- (e) 'Cannabis Concentrate' means Cannabis that has undergone a process to concentrate one or more active

cannabinoids, thereby increasing the product's potency. Resin from granular trichomes from a Cannabis plant is a concentrate for purposes of this Chapter. A Cannabis Concentrate is not considered food, as defined by Section 109935 of the Health and Safety Code, or a drug, as defined by Section 109925 of the Health and Safety Code.

- (f) 'Cannabis Business' means any business or Operation which engages in Commercial Cannabis Activity pursuant to a Permit issued by the City of San Buenaventura.
- (g) 'Cannabis Business Permit' means a regulatory Permit issued by the City of San Buenaventura pursuant to this Chapter to a Commercial Cannabis Business, and is required before any Commercial Cannabis Activity may be conducted in the City.
- (h) 'Cannabis Delivery Service' means any Retailer or Non-Store Front Retailer located within the City that conducts Deliveries within the City or any other business or Operation located outside of the City which engages in Cannabis Deliveries within the City.
- (i) 'Cannabis Delivery Service Permit' means a regulatory Permit issued by the City pursuant to this Chapter to a Cannabis Delivery Service business and is required before any Commercial Cannabis Activity may be conducted in the City. The initial Permit and annual renewal of a Cannabis Delivery Service Permit is made expressly contingent upon the business' ongoing compliance with all of the requirements of this Chapter and any regulations adopted by

the City governing the Commercial Cannabis Activity at issue.

- (j) 'Cannabis Product' means a product containing Cannabis, or Cannabis Concentrate, including, but not limited to, Cannabis as defined by Section 11018.1 of the Health and Safety Code and Manufactured Cannabis, intended to be sold for use by Cannabis Patients in California pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the California Health and Safety Code or pursuant to the Adult Use of Marijuana Act. For purposes of this Chapter, 'Cannabis' does not include industrial hemp as defined by Section 81000 of the California Food and Agricultural Code or Section 11018.5 of the California Health and Safety Code.
- (k) 'Caregiver' or 'Primary Caregiver' has the same meaning as that term is defined in Section 11362.7 of the California Health and Safety Code.
- (l) 'City' or 'City of San Buenaventura' means the City of San Buenaventura, a California Charter Law Municipal Corporation.
- (m) 'Commercial Cannabis Activity' includes the possession, Manufacture, Distribution, Processing, storing, laboratory testing, packaging, Labeling, Transportation, Delivery or Sale of Cannabis and Cannabis Products as regulated by this Chapter.
- (n) 'Commercial Cannabis Business' means any business or Operation which engages in Commercial Cannabis Activity, except for Cannabis Deliveries

- originating from Commercial Cannabis Businesses located outside of the City.
- (o) 'Cultivation' means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of Cannabis.
 - (p) 'Customer' means a natural Person 21 years of age or older, or a natural Person 18 years of age or older who possesses either a Physician's Recommendation or a Cannabis card issued pursuant to Health and Safety Code Section 11362.71.
 - (q) 'Delivery' means the commercial transfer of Cannabis or Cannabis Products to a Customer. 'Delivery' also includes the use by the Retailer of any technology platform owned and controlled by the Retailer.
 - (r) 'Dispensing' means any activity involving the retail Sale of Cannabis or Cannabis Products from a Retailer.
 - (s) 'Distribution' means the procurement, Sale, and Transport of Cannabis and Cannabis Products between Commercial Cannabis Businesses.
 - (t) 'Distributor' shall have the same meaning as that appearing in Section 26070 of the Business and Professions Code.
 - (u) 'Edible Cannabis Product' means Cannabis Product that is intended to be used, in whole or in part, for human consumption, including, but not limited to, chewing gum, cookies, or chocolates, but excluding products set forth in Division 15 (commencing with Section 32501) of the Food and Agricultural Code. An Edible Cannabis Product is not considered food, as

defined by Section 109935 of the Health and Safety Code, or a drug, as defined by Section 109925 of the Health and Safety Code.

- (v) 'Labeling' means any label or other written, printed, or graphic matter upon a Cannabis Product, or upon its container.
- (w) 'Licensee' means any Person holding a State License.
- (x) 'Limited-Access Area' means an area in which Cannabis is stored or held and is only accessible to a Permittee and authorized Personnel.
- (y) 'Manufacture' means to compound, blend, extract, infuse, or otherwise make or prepare a Cannabis Product.
- (z) 'Manufacturer' means a Commercial Cannabis Business that conducts the production, preparation, propagation, or compounding of Cannabis or Cannabis Products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that Packages or rePackages Cannabis or Cannabis Products or labels or relabels its container.
- (aa) 'Manufactured Cannabis' means raw Cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate, extraction or other Manufactured product intended for internal consumption through inhalation or oral ingestion or for topical application.
- (bb) 'Microbusiness' shall have the same meaning as that contained in Section

26070(a)(3) of the Business and Professions Code.

- (cc) 'Non-Store Front Retailer' is a subset of 'Retailer' and is Commercial Cannabis Business that is closed to the public and provides product to Customers solely by means of a Delivery service which the Retailer owns and controls.
- (dd) 'Operation' means any act for which licensure is required under the provisions of this Chapter, or any commercial transfer of Cannabis or Cannabis Products.
- (ee) 'Owner' means any of the following:
 - (1) A Person with any Ownership interest in the Person applying for a Permit or a Permittee, unless the interest is solely a security, lien or encumbrance.
 - (2) The chief executive officer of a nonprofit or other entity.
 - (3) A member of the board of directors of a nonprofit.
 - (4) An individual who will be participating in the direction, control, or management of the Person applying for a license.
- (ff) 'Package' means any container or receptacle used for holding Cannabis or Cannabis Products.
- (gg) 'Patient' or 'Qualified Patient' shall have the same meaning as that contained in California Health and Safety Code Section 11362.7 et seq., as it may be amended, and which includes within its definition a Person who is entitled to the protections of California Health & Safety Code Section 11362.5.
- (hh) 'Person' includes and individual, firm, partnership, joint venture, association,

corporation, limited liability company, estate, trust, receiver, syndicate, or any other group or combination acting as a unit, and the plural as well as the singular.

- (ii) 'Physician's Recommendation' means a recommendation by a physician or surgeon that a Patient use Cannabis provided in accordance with the Compassionate Use Act of 1996 (Proposition 215) found at Section 11362.5 of the Health and Safety Code.
- (jj) 'Premises' means the designated structure or structures and land specified in the application that is owned, leased, or otherwise held under the control of the Applicant or Permittee where the Commercial Cannabis Activity will be or is conducted. The Premises shall be a contiguous area and shall only be occupied by one Permittee.
- (kk) 'Processing' means the trimming, drying, curing, grading, packaging, or Labeling of Cannabis and non-Manufactured Cannabis Products.
- (ll) 'Retailer' or 'Storefront Retailer' means a Commercial Cannabis Business facility where Cannabis, Cannabis Products, or devices for the use of Cannabis or Cannabis Products are offered, either individually or in any combination, for retail Sale, including an establishment that delivers, pursuant to express authorization, Cannabis and Cannabis Products as part of a retail Sale.
- (mm) 'Sell,' 'Sale' and 'To Sell' mean any transaction whereby, for any consideration, title to Cannabis or Cannabis Products are transferred from

- one Person to another, and includes the Delivery of Cannabis or Cannabis Products pursuant to an order placed for the purchase of the same and soliciting or receiving an order for the same, but does not include the return of Cannabis or Cannabis Products by a purchaser to the Permittee from whom the Cannabis or Cannabis Product was purchased.
- (nn) 'State License' means a license issued by the State of California, or one of its departments or divisions, under MAUCRSA and any subsequent State of California legislation regarding the same to engage in Commercial Cannabis Activity. A State License alone will not authorize the holder to operate a Cannabis Business, as state law also requires a Permit or other authorization issued by a local jurisdiction.
- (oo) 'Testing Laboratory' means a laboratory, facility, or entity in the state that offers or performs tests of Cannabis or Cannabis Products and that is both of the following:
- (1) Accredited by an accrediting body that is independent from all other Persons involved in Commercial Cannabis Activity in the state.
 - (2) Licensed by the Bureau.
- (pp) 'Transport,' 'Transported,' and 'Transportation' means the transfer of Cannabis Products from the permitted business location of one Permittee to the permitted business location of another Permittee, for the purposes of conducting Commercial Cannabis Activity authorized by the MAUCRSA. Transport can only be performed by

licensed Distributors and does not include Deliveries of Cannabis or Cannabis Products.

- (qq) 'Youth center' means any public or private facility that is primarily used to host recreation or social activities for minors, including, but not limited to, private youth membership organizations or clubs, social service teenage club facilities, video arcades where 10 or more video games or game machines or devices are operated, and where minors are legally permitted to conduct business, or similar amusement park facilities.

Section 6.420.040. Cannabis Cultivation and Commercial Cannabis Activities Prohibited Unless Specifically Authorized by this Chapter.

Except as specifically authorized by this Chapter, the commercial Cultivation, Manufacture, Processing, storing, laboratory testing, Labeling, Sale, Delivery, Distribution or Transportation (other than as provided under Business and Professions Code Section 26090(e)), of Cannabis or Cannabis Products is expressly prohibited in the City of San Buenaventura.

Section 6.420.050. Cultivation Prohibited.

All commercial Cannabis Cultivation in the City of San Buenaventura is expressly prohibited.

Section 6.420.060. Compliance with State and Local Laws and Regulations.

It is the responsibility of the Owners and operators of any Commercial Cannabis Business operating within or Cannabis Delivery Service operating or delivering within the City limits to ensure that it operates in a manner compliant with all applicable state and local laws, and any regulations promulgated thereunder, including but not limited to the Medicinal and Adult Use Cannabis Regulation and Safety Act ('MAUCRSA').

Section 6.420.070. Cannabis Delivery Service Permit Required to Engage in Cannabis Deliveries.

No Person may engage in any commercial Cannabis Delivery activity within the City of San Buenaventura unless the Person has all of the following:

- (1) Registration with the City in the form of a valid Cannabis Delivery Service Permit from the City of San Buenaventura;
- (2) A valid City business license;
- (3) A valid state Seller's Permit; and
- (4) A State License for the retail Sale of Cannabis from a permitted facility that is directly linked to and responsible for the Delivery activity;

and is otherwise currently in compliance with all applicable state and local laws and regulations pertaining to the Commercial Cannabis Business, including Delivery activity.

Any Cannabis Delivery Service operating out of a physical location within the City must also obtain a Cannabis Business Permit pursuant to Sections 6.420.190 through 6.420.370. The grant of a Cannabis Delivery Service Permit does not create any right for the Cannabis Delivery Service to a Cannabis Business Permit.

Section 6.420.080. Cannabis Delivery Service Permit Application Process and Requirements.

- (a) A Cannabis Delivery Service may only be operated by a state-licensed Retailer. Any state-licensed Retailer conducting Deliveries in the City of San Buenaventura must obtain from the City a Permit authorizing Cannabis Deliveries to occur. A copy of this Permit shall be carried by all Delivery drivers.
- (b) The Cannabis Delivery Service conducting Deliveries in the City, as a condition of the issuance of the Permit must provide the City with the following:
 - 1) A copy of the Applicant's State Seller's Permit.
 - 2) A copy of the Applicant's City business license.
 - 3) Name and social security number of every Commercial Cannabis Business Owner with an interest in the Person who is submitting the Permit application, together with any information required by Section 6.420.080(b)(8).
 - 4) Name, social security number and contact information of every manager

of the commercial Cannabis retail business, together with any information required by Section 6.420.080(b)(8).

- 5) Evidence of a valid State License for the commercial Cannabis retail business that owns or controls the Delivery Operation, and on whose authorization the Cannabis Delivery Service is acting.
- 6) Names, drivers' license numbers, and social security numbers of all the business' Delivery drivers, together with any information required by Section 6.420.080(b)(8).
- 7) A fee paid in an amount set by resolution of the City Council necessary to cover the costs of administering and enforcing the Cannabis Delivery Service Permit program. The fee is non-refundable and shall not be returned in the event the Cannabis Delivery Service Permit is denied or revoked.
- 8) A criminal background check is mandatory for every Commercial Cannabis Business Owner, manager and Delivery driver. The application for the Cannabis Delivery Service Permit must include electronic fingerprint images and related information as required by the Chief of Police for the purpose of obtaining information as to the existence and content of a record of State or Federal convictions and arrests. A background check will be performed by the San Buenaventura Police Department, with costs covered by the Applicant, and the results will be

treated as confidential information. All confidential information shall be held in a confidential file, exempt from disclosure as a public record pursuant to Government Code Section 6255(a). Any Delivery driver whose background check returns any disqualifying offenses pursuant to California Code of Regulations, Title 16, Sections 5017 and 5018 shall be prohibited from making Deliveries within the City.

- (c) A Cannabis Delivery Service Permit shall be denied if any of the following exist:
 - (1) The Applicant or any Owner has made a materially false or misleading statement or omission of fact in the application, or failed to provide information, documentation, and assurances required by this Chapter or by the City Manager, or his/her designee; or,
 - (2) The Applicant, Owner or manager has engaged in any disqualifying conduct as identified in California Code of Regulations, Title 16, Sections 5017 and 5018; or
 - (3) The Applicant does not have a valid State License; or
 - (4) The Applicant or any Owner is not at least 21 years of age; or
 - (5) The application is incomplete and supplementary information is not timely or forthcoming; or

- (6) The Applicant or any Owner is delinquent in paying city fees, fines, or penalties; or
- (7) If prosecution is pending against the Applicant or any Owner for conduct violating either this Chapter or the provisions of Business and Professions Code Sections 4600, *et seq.*, the City Manager, or his/her designee, may postpone the decision on the application until the prosecution's final resolution. As used in this subsection, prosecution means charges filed by the district attorney, administrative proceedings brought by a local government or agency, or a civil or criminal action maintained by the City Attorney.

The City Manager, or his/her designee, shall issue a written denial to the Applicant within 30 days of the date the application was deemed complete.

- (d) If there are no grounds for denial pursuant to Section 6.420.080(c), the City Manager, or his/her designee, shall issue the Cannabis Delivery Service Permit to the Applicant within 30 days of the date the application was deemed complete. In the event the Cannabis Delivery Service Permit cannot be issued within this time period then the City Manager, or his/her designee, shall have the discretion to issue a temporary Permit. The temporary Permit may be immediately revoked by the City Manager, or his/her designee, upon

determination that the Applicant has provided incomplete or false information in connection with the Permit application or that any of the items in Section 6.420.080(c) exist.

- (e) The City Manager, or his/her designee, is hereby authorized to promulgate all regulations necessary to implement the Permit process and requirements.
- (f) The Applicant may appeal the denial of a Cannabis Delivery Service Permit to a hearing officer designated by the City Manager subject to the requirements of Sections 6.420.290 and 6.420.300. The decision of the Hearing Officer shall be final.

Section 6.420.090. Expiration of Cannabis Delivery Service Permits.

Each Cannabis Delivery Service Permit issued pursuant to this Chapter shall expire on June 30th of each year, regardless of the date the Permit was issued. Cannabis Delivery Service Permits may be renewed as provided in Section 6.420.100.

Section 6.420.100. Renewal Applications.

- (a) An application for renewal of a Cannabis Delivery Service Permit shall be filed by May 1st of each year. All applications filed are subject to a late fee in an amount set by resolution adopted by the City Council.

- (b) The renewal application shall contain all the information required for new applications.
- (c) The Applicant shall pay a fee in an amount to be set by resolution adopted by the City Council to cover the costs of Processing the renewal Permit application, together with any costs incurred by the City to administer the program created under this Chapter.
- (d) An application for renewal of a Cannabis Delivery Service Permit shall be denied after a hearing if any of the following are determined to exist:
 - (1) The Cannabis Delivery Service Permit is suspended at the time of the application.
 - (2) The Cannabis Delivery Service has failed to conform to the requirements of this Chapter, or of any regulations adopted pursuant to this Chapter.
 - (3) Any of the conditions laid out in Section 6.420.080(c) exist.
 - (4) The Applicant does not have a valid and current State License.
- (e) The City Manager, or his/her designee, is authorized to impose additional conditions to a renewal Permit, if it is determined to be necessary to ensure compliance with state or local laws and regulations or to preserve the public health, safety or welfare. The decision of the City Manager, or his/her designee, may be appealed to a hearing officer designated by the City Manager and shall be handled

pursuant to Sections 6.420.290 through 6.420.300.

- (f) If a renewal application is denied, a Person may file a new application pursuant to this Chapter no sooner than the next renewal period.

**Section 6.420.110. Change in Location;
Updated Registration
Form.**

- (a) Any time the Cannabis Delivery Service location specified in the Cannabis Delivery Service Permit has changed, the Applicant shall re-apply with the City Manager, or his/her designee,. The process and the fees for re-application shall be the same as the process and fees set forth for registration in Sections 6.420.070 and 6.420.100.
- (b) Within 15 calendar days of any other change in the information provided in the registration form or any change in status of compliance with the provisions of this chapter, including any change in the Cannabis Delivery Service Ownership or management members, the Applicant shall file the updated information with the City Manager, or his/her designee, for review along with an application amendment fee in an amount set by resolution of the City Council.

**Section 6.420.120. Transfer of Cannabis
Delivery Service Permit.**

- (a) A Cannabis Delivery Service Permit is nontransferable. Any change in Ownership

or control of the Cannabis Delivery Service requires a new application pursuant to Section 6.420.080.

- (b) Any attempt to transfer a Cannabis Delivery Service Permit either directly or indirectly in violation of this section is hereby declared void, and such a purported transfer shall be deemed a ground for revocation of the Permit.

Section 6.420.130. Delivery Vehicle Requirements.

Prior to commencing Operations, a Cannabis Delivery Service shall provide the following information to the City.

- (a) Proof of Ownership of the vehicle or a valid lease by the Cannabis Delivery Service for any and all vehicles that will be used to deliver Cannabis or Cannabis Products.
- (b) The year, make, model, color, license plate number, and Vehicle Identification Number (VIN) for any and all vehicles that will be used to deliver Cannabis Products.
- (c) Proof of insurance as required in section 6.420.380(c) for any and all vehicles being used to deliver Cannabis Products.
- (d) The Licensee shall provide the City with the information required by this section in writing for any new vehicle that will be used to deliver Cannabis Products prior to commencing any Delivery Operations with that vehicle.

- (e) The Licensee shall provide the City with any changes to the information required by this section in writing within fifteen (15) calendar days.

Section 6.420.140. Miscellaneous Operating Requirements.

Every employee, Owner, and/or operator of a Cannabis Delivery Services wishing to be issued a Cannabis Delivery Service Permit or to be authorized to conduct the Delivery of Cannabis Products shall consent to a Live Scan and/or to a background check by the City of San Buenaventura Police Chief or his/her designee(s) in order to engage in Delivery of Cannabis and Cannabis Products.

- (a) Background Check. Pursuant to California Penal Code Sections 11105(b)(11) and 13300(b)(11), which authorizes city authorities to access state and local summary criminal history information for employment, licensing, or certification purposes and authorizes access to federal level criminal history information by transmitting fingerprint images and related information to the Department of Justice to be transmitted to the Federal Bureau of Investigation, every Person listed as an Owner, manager, supervisor, employee or volunteer, of the Cannabis Delivery Service must submit fingerprints and other information deemed necessary by the Chief of Police, or his/her designee(s), for a

background check by the San Buenaventura Police Department. Pursuant to California Penal Code Sections 11105(b)(11) and 13300(b)(11), which requires that there be a requirement for exclusion from employment, licensing or certification based on specific criminal conduct on the part of the subject of the record, no Person shall be issued a Permit to conduct Cannabis Delivery Service Operations unless the individuals involved in those Operations have first cleared the background check, as determined by the Chief of Police or his/her designee(s), and as required by this section. A fee for the cost of the background investigation, which shall be the actual cost to the City of San Buenaventura to conduct the background investigation, shall be paid at the time the application for a Cannabis Delivery Service Permit is submitted.

**Section 6.420.150. Operating Requirements
for Cannabis Delivery
Services.**

Cannabis Delivery Services may deliver only during the hours specified in Section 6.420.180 (c) or as stipulated in the Cannabis Delivery Service Permit issued by the City.

- (a) The Delivery of Cannabis into the City of San Buenaventura shall only be conducted by a Cannabis Retailer located outside of the City or a Retailer authorized under this

Chapter to operate within the City. The Cannabis Retailer must hold a valid Retailer M-License or Retailer A-License from the State of California and a valid local agency Cannabis Retailer M-License or Retailer A-License which authorizes the Sale of medicinal and Adult Use Cannabis Products.

- (b) A Delivery employee of a Cannabis Delivery Service, carrying medicinal or Adult Use Cannabis Products for Delivery, shall only travel in an enclosed motor vehicle operated by the Delivery employee or another Delivery employee of the Permittee.
- (c) All Deliveries of medicinal or Adult Use Cannabis Products must be performed by a Delivery employee of a Cannabis Delivery Service and who is at least 21 years of age.
- (d) Pursuant to the Bureau of Cannabis Control regulations (Title 16, California Code of Regulations, Section 5415), a Cannabis Delivery Service shall not use the services of an independent contractor, courier service or use a Personal vehicle to deliver medicinal or Adult Use Cannabis Products.
- (e) All Deliveries of medicinal or Adult Use Cannabis Products shall be made in Person. A Delivery of Cannabis Products

shall not be made through the use of an unmanned vehicle.

- (f) The Cannabis Delivery Service shall maintain an accurate list of its Delivery employees.
- (h) While carrying medicinal or Adult Use Cannabis Products for Delivery, a Delivery employee of a Cannabis Delivery Service shall ensure the medicinal or Adult Use Cannabis Products are not visible to the public.
- (i) A Delivery employee of a Cannabis Delivery Service shall not leave medicinal or Adult Use Cannabis Products in an unattended motor vehicle unless the motor vehicle is equipped with an active vehicle alarm system.
- (j) A vehicle used for the Delivery of medicinal or Adult Use Cannabis Products shall be outfitted with a dedicated Global Positioning System (GPS) device for the identifying the geographic location of the Delivery vehicle. A dedicated GPS device does not include a phone or tablet. The device shall be either permanently or temporarily affixed to the Delivery vehicle and shall remain active and inside of the Delivery vehicle at all times during the Delivery. At all times, the Cannabis Delivery Service shall be able to identify the geographic location of the Delivery

vehicles that are making Deliveries for the Cannabis Delivery Service and shall provide the information to the City upon request.

(k) The drivers must possess proper documentation which includes the following information:

- (1) The name of the Cannabis Delivery Service;
- (2) A copy of the Cannabis Delivery Service Permit;
- (3) His or her government-issued identification;
- (4) Identification of himself or herself as an authorized driver of the Cannabis Delivery Service;
- (5) An employer provided badge containing a picture and the name of the Delivery employee;
- (6) An accurate cargo manifest detailing the type and quantity, or amount of Cannabis Products being Transported;
- (7) The unique identifiers for each product issued by the Department of Food and Agriculture pursuant to Health and Safety Code Section 11362.777;
- (8) The make, model and license plate number of the vehicle.

(l) While making Deliveries, an employee of a Cannabis Delivery Service shall not carry

Cannabis or Cannabis Products in excess of \$5,000 at any time. This value shall be determined using the retail price of all Cannabis Products carried by the Cannabis Delivery Service.

- (m) While being Transported, Cannabis Products shall be locked in a box that is secured to the inside of the vehicle.
- (n) Vehicles used to deliver Cannabis must be non-conspicuous and shall not display signs, logos, pictures or any other form of advertisement which can be detectable by a bystander or observer that the Cannabis Delivery vehicle may be used for or is carrying Cannabis Products.
- (o) All vehicles making Deliveries of medical or Adult Use Cannabis or Cannabis Products shall be equipped with a fully Operational rear and forward-facing dashboard camera at all times. Dashboard cameras shall have a minimum storage capacity of 30 days.

Section 6.420.160. Amendments to Operational Requirements.

The City Manager, or his/her designee, may develop additional Cannabis Delivery Service Operational requirements or regulations as are determined to be necessary to protect the public health, safety and welfare. The City Manager or

his/her designee may also delete Operational requirements or regulations based solely on future changes to state law and regulations mandating such changes.

Section 6.420.170. Packaging and Labeling.

- (a) Cannabis Delivery Services shall be required to ensure that all Cannabis or Cannabis Products are properly labeled and placed in tamper-evident packaging which meets the requirements of MAUCRSA and all implementing rules and regulations.
- (b) Labeling must include a warning if nuts or other known allergens are used and must include the total weight (in ounces or grams) of Cannabis in the Package.
- (c) The warning label must state that the item is Cannabis or a Cannabis Product and not a food product and must be clearly legible on the front of the Package and must comply with state packing and labelling requirements.
- (d) The Package must have a label warning that the Cannabis Product is to be kept away from children.
- (e) The label must also specify the date of Manufacture.
- (f) Any Edible Cannabis Product that is made to resemble a typical food product must be in a properly labeled opaque (non-see-through) Package before it leaves the Cannabis Delivery Service.

- (g) As permitted by law, the City Council may, by resolution, impose additional packaging and Labeling requirements on Cannabis or Cannabis Products which may be delivered into the City.
- (h) All Packages containing Cannabis or Cannabis Products delivered within the City of San Buenaventura shall include city-approved public education materials on the negative impacts of Cannabis use by youth, and the prevention of driving under the influence. These materials shall be provided by the City to the Cannabis Delivery Service in print-ready electronic format. The Cannabis Delivery Service will be solely responsible for printing and supplying such materials.

Section 6.420.180. Permissible Delivery Locations and Hours of Operation.

Cannabis Delivery Services permitted to engage in Delivery of Cannabis and Cannabis Products are subject to the following requirements:

- (a) A licensed Cannabis Delivery Service may deliver medicinal and Adult Use Cannabis and Cannabis Products to only residential addresses in the City of San Buenaventura.
- (b) A licensed Cannabis Delivery Service shall not deliver medicinal or Adult Use Cannabis Products to an address located on publicly owned land or any address on land or in a building leased by a public agency.

- (c) A licensed Cannabis Delivery Service shall only deliver medicinal and Adult Use Cannabis Products to consumers during the hours of 9:00 a.m. and 9:00 p.m. Pacific Standard Time.
- (d) Consistent with Business and Professions Code Section 26054(b), Deliveries of Cannabis or Cannabis Products to residential properties located within 600 feet of a public or private school with any of the grades Kindergarten through Twelfth shall not occur during school hours (8:00 a.m. to 3:00 p.m. weekdays).

Section 6.420.190. Cannabis Business Permit Required to Engage in Commercial Cannabis Business.

- (a) No Person may engage in any Commercial Cannabis Business or in any Commercial Cannabis Activity within the City of San Buenaventura including Manufacture, Processing, laboratory testing, distributing, Dispensing, or Sale of Cannabis or a Cannabis Product, except for Delivery originating from outside of the City, unless the Person has the following:
 - (1) a valid Cannabis Business Permit from the City;
 - (2) a valid City business license;
 - (3) a valid State of California Seller's Permit, if needed to operate in the State; and
 - (4) is currently in compliance with all applicable state and local laws and

regulations pertaining to the Commercial Cannabis Business and the commercial Cannabis activities, including the duty to obtain any required State Licenses.

Section 6.420.200. Evidence of Cannabis Owners and Employee Background Check Required.

- (a) Any Person who is an Owner, employee or who otherwise works within a Commercial Cannabis Business must be legally authorized to do so under applicable state law.
- (b) Commercial Cannabis Business Owners, managers, investors and operators shall be required to provide the City Manager, or his/her designee, with evidence of the completion of a criminal background check for all Persons in their employment.
- (c) The criminal background checks completed by Commercial Cannabis Business employers must at a minimum identify the following:
 - 1) Whether the individual applying for employment has ever been convicted of a violent felony as defined by California Penal Code 667.5, or equivalent offenses in other states;
 - 2) Whether the individual applying for employment has ever been convicted of a crime involving dishonesty, fraud or deceit, including but not limited to fraud,

- forgery, theft, or embezzlement as those offenses are defined in California Penal Code Sections 186.11, 470, 484, and 504a, respectively; or equivalent offenses in other states; or
- 3) Whether the individual applying for employment has ever been convicted of the illegal use, possession, Transportation, Distribution or similar activities related to controlled substances, as defined in the Federal Controlled Substances Act, not including Cannabis-related offenses for which the conviction occurred after the passage of the Compassionate Use Act of 1996.
- (d) Evidence of a conviction of any of the offenses enumerated in Section 6.420.200(c) shall be grounds for denial of employment. Employers who wish to hire an individual notwithstanding this rule shall appeal to the Chief of Police, who at his/her sole discretion may issue a written waiver.
- (e) Violation of this section shall be grounds for immediate suspension of the business' operating Permit, pending a hearing before the City Manager or his/her designee within 30 days for a final determination of the status of the Permit.

Section 6.420.210. Personnel Prohibited from Holding a License or from Employment with a Cannabis Business Permittee.

- (a) Any Person, including but not limited to any individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit, in which any of the following actions or notices have been issued for non-compliance, shall be prohibited from holding a Cannabis Business Permit or from employment with a Cannabis Business Permittee in the City of San Buenaventura:
- (1) The Applicant has had a license suspended or revoked by any city, county, city and county or any other state Cannabis licensing authority;
 - (2) The Applicant was notified that it was conducting Commercial Cannabis Activity in violation of City ordinances, codes and requirements, and failed to cure the violation in a timely manner;
 - (3) Evidence that the Applicant is delinquent in payment of federal, state or local taxes and/or fees, and took no steps to cure the delinquency when notified by the appropriate agencies;
 - (4) As of December 14, 2020, Applicant was conducting Commercial Cannabis Activity in the City of San Buenaventura in violation of local and state law.
 - (5) No Person shall be issued a Commercial Cannabis Permit to operate who enters into either a verbal or written agreement to lease, sublease, or any other

agreement for any terms of use of the Premises granted by a property Owner, commercial broker or any third party, that is in violation of Section 6.420.190 unless that property is leased at fair market value. Any such lease, sublease or agreement shall not contain terms or conditions requiring the Cannabis Permit Permittee to pay the property Owner, commercial broker, or any third party a percentage of gross receipts, royalties, equity, or other unreasonable compensation as determined by the City. In addition, all leases, subleases, or other agreements must be based on a monthly rate.

Section 6.420.220. Maximum Number and Type of Authorized Commercial Cannabis Businesses Permitted.

- (a) The maximum number of each type of Commercial Cannabis Business that shall be permitted to operate in the City shall be established by resolution by the City Council.
- (b) This Section is only intended to create a maximum number of Commercial Cannabis Businesses that may be issued Permits to operate in the City under each category. Nothing in this Chapter mandates that the City Council issue any or all of the authorized Cannabis Business Permits if it is determined that the Applicants do not

meet the standards which are established in the application requirements or the City Council determines that the issuance of any or all Cannabis Business Permits will adversely impact the public health, safety, or welfare.

- (c) Each year following the City's award of Permits, if any, or at any time in the City Council's discretion, the City Council may reassess the number of Cannabis Business Permits which are authorized for issuance. The City Council at its discretion, may determine that the number of Cannabis Business Permits should remain the same, or be expanded.

Section 6.420.230. Application and Selection Process.

- (a) The City Manager, or his/her designee, shall adopt the procedures to govern the application and selection process consistent with the following rules and application stages:
 - (1) Initial Application. The City Manager, or his/her designee(s), shall be authorized to prepare the necessary forms, adopt any necessary rules to conduct the application, regulations and processes, and solicit applications.
 - i. Each Applicant shall pay an application fee established by resolution of the City Council, to

cover all costs incurred by the City in the application process.

- ii. The application process shall include a community benefit component. Any community benefits that a Commercial Cannabis Business agrees to provide shall be incorporated into the terms and conditions under which the Commercial Cannabis Business will operate with the City's approval, if and when an operating Permit is issued. Such terms and conditions shall be in addition to the requirements of this Chapter. Examples of community benefits that may be proposed include: in-kind donations; sponsorship of community events; support, financial or otherwise, for special community events such as fairs, afterschool programs, youth centers, Boys and Girls Clubs, local schools whether public or private; school athletic programs; school clubs; community centers, senior centers and senior living facilities, and parks and recreation.

- (2) Initial Evaluation. The City Manager, or his/her designee, shall develop detailed objective review criteria to be evaluated on a point system or equivalent quantitative evaluation scale tied

to each set of review criteria ('Review Criteria'). The City Manager's designee shall then conduct initial evaluations of each Applicant.

(3) Interviews. After completing the initial evaluation of each Applicant and determining which Applicants shall continue in the application process, the City Manager, or his/her designee(s), shall conduct an interview of the selected Applicants.

(4) Public Meeting. Once the proposed locations of the Applicants' Commercial Cannabis Businesses have been evaluated by the Community Development staff to determine whether the proposed locations are consistent with the requirements of the City's Zoning Code, and zoning verification letters have been issued to the Applicants, a public meeting shall be conducted in which residents and affected businesses may raise concerns. At the discretion of the City Manager, the meeting may be before the City Manager, or conducted by the Community Development Director, or his/her designee.

i. At least ten days before the public meeting, notice of the public meeting shall be mailed to all property owners

located within three hundred feet of each proposed Commercial Cannabis Business location of the Applicants remaining in the selection process, and posted on the proposed location site, as specified in Section 24.560.065.

(5) Final Selection. Applications shall be vetted by a team of City employees as designated by the City Manager, consistent with Section 6.420.230(a)(2). At the conclusion of the vetting process, the Community Development Director, or his/her designee, shall prepare a report making the case for recommendations for approval by the City Manager. The recommendations shall include a summary of the concerns voiced by the community at the public meeting. The City Manager, or his/her designee, shall either deny or approve the final candidates and shall select the top candidates in each category of the Commercial Cannabis Businesses pursuant to Section 6.420.220(a). The City Manager's, or his/her designee's, decision as to the selection of the prevailing candidates shall be final, pending an appeal, in the event an appeal is filed as provided for under Sections 6.420.290 and 6.420.300.

(b) Official issuance of the Cannabis Business Permit(s) is conditioned upon

the prevailing candidate(s) obtaining all required land use approvals, if any. Upon the approval by the City Manager, or his/her designee, of the businesses that were awarded a Permit the prevailing candidate(s) shall apply to the City's Community Development Department to obtain any required land use approvals or entitlements for the Permittee's location, if any. Land use approvals shall include compliance with all applicable provisions of CEQA. The City Manager, or his/her designee(s), shall issue the Cannabis Business Permit(s) once the Community Development Director or his/her designee(s) affirms that all of the required land use approvals have been obtained.

- (c) Issuance of a Cannabis Business Permit does not create a land use entitlement. The Cannabis Business Permit shall expire on June 30 of each year, regardless of the date the Permit was issued. Cannabis Business Permits may be renewed as provided in Section 6.420.250.
- (d) If an application is denied, a new application may not be filed until the next application period.
- (e) The Applicant may appeal the denial of a Cannabis Business Permit to a hearing officer designated by the City Manager subject to the requirements of Sections 6.420.290 and 6.420.300. The decision of the hearing officer shall be final.

- (f) The City reserves the right to reject any or all applications. Prior to issuance of Cannabis Business Permits, the City may also modify, postpone, or cancel any request for applications, or the entire Cannabis Business Permit program under this Chapter, at any time without liability, obligation, or commitment to any party, firm, or organization, to the extent permitted under California law. Persons submitting applications assume the risk that all or any part of the program, or any particular category of Permit potentially authorized under this Chapter, may be cancelled at any time prior to Permit issuance.
- (e) The City further reserves the right to request and obtain additional information from any candidate submitting an application.
- (f) In addition to a failure to comply with other requirements in this Chapter, an application may be rejected for any of the following reasons:
 - (1) The application was received after the designated time and date of the deadline.
 - (2) The application did not contain the required elements, exhibits, or was not organized in the required format.
 - (3) The application was considered not fully responsive to the request

for a Permit application, i.e. was substantially incomplete.

Section 6.420.240. Expiration of Cannabis Business Permits.

Each Cannabis Business Permit issued pursuant to this Chapter shall expire on June 30 of each year, regardless of the date the Permit was issued. Cannabis Business Permits may be renewed as provided in Section 6.420.250.

Section 6.420.250. Renewal of Cannabis Business Permits.

- (a) An application for renewal of a Cannabis Business Permit shall be filed by May 1 of each year. All applications filed after May 1 are subject to a late fee in an amount set by resolution adopted by the City Council.
- (b) The renewal application shall contain all the information required for new applications.
- (c) The Applicant shall pay a fee in an amount to be set by the City Council to cover the costs of Processing the renewal Permit application, together with any costs incurred by the City to administer the program created under this Chapter.
- (d) An application for renewal of a Cannabis Business Permit shall be rejected if any of the following exists:

- (1) The Cannabis Business Permit is suspended or revoked at the time of the application.
 - (2) The Commercial Cannabis Business has not been in regular and continuous Operation in the four (4) months prior to the renewal application, unless the Commercial Cannabis Business has had a Cannabis Business Permit for less than a year.
 - (3) The Commercial Cannabis Business has failed to conform to the requirements of this Chapter, or of any regulations adopted pursuant to this Chapter.
 - (4) The Permittee fails or is unable to renew its State License.
 - (5) If the state has determined, based on substantial evidence, that the Permittee or Applicant is in violation of the requirements the state rules and regulations, and the state has determined that the violation is grounds for termination or revocation of the Cannabis Business Permit.
- (e) The City Manager, or his/her designee(s), is authorized to make all decisions concerning the issuance of a renewal Cannabis Business Permit and shall comply with the process pursuant to Section 6.420.270. In making the decision, the City Manager, or his/her designee(s), is authorized to impose

additional conditions to a renewal Cannabis Business Permit, if it is determined to be necessary to ensure compliance with state or local laws and regulations or to preserve the public health, safety or welfare. Appeals from the decision of the City Manager or his/her designee(s) shall be handled pursuant to Sections 6.420.290 through 6.420.300.

- (f) If a renewal application is rejected, a Person may file a new application pursuant to this Chapter no sooner than the next application period.

Section 6.420.260. Revocation of Permits.

Cannabis Business Permits or Cannabis Delivery Service Permits may be revoked for any violation of any law and/or any rule, regulation and/or standard adopted pursuant to Sections 6.420.090 or 6.420.250, or pursuant to any policy, procedure or regulation in this Chapter.

Section 6.420.270. Process for Rejection of Renewal, Revocation or Suspension.

- (a) Upon a determination that there may be grounds to reject renewal of, revoke, or suspend, a Cannabis Business Permit or Cannabis Delivery Service Permit, the City Manager, or his/her designee, shall schedule a hearing before a hearing officer designated by the City Manager. The City Manager, or his/her designee, shall set a time and place for

the hearing and shall notify the Cannabis Business Permit holder or Cannabis Delivery Service Permit holder, in writing, of such date and time, not later than ten working days before the date of the scheduled hearing. The hearing notice shall specify the reasons to reject renewal of, revoke, or suspend the Cannabis Business Permit or Cannabis Delivery Service Permit.

- (b) At the hearing, the Cannabis Business Permit holder or Cannabis Delivery Service Permit holder shall be provided the opportunity to present evidence why the Cannabis Business Permit or Cannabis Delivery Service Permit should not be denied renewal, revoked or suspended, or, where subject to denial of renewal or revocation, why a suspension of the Cannabis Business Permit or Cannabis Delivery Service Permit with conditions should be considered instead. The hearing shall be an informal hearing. The formal rules of evidence provided for in any state law are inapplicable to this hearing. Either party may present witnesses or documents in support of their position.
- (c) After the hearing, the hearing officer may dismiss the City's claim that grounds exist to reject renewal of, revoke, or suspend, a Cannabis Business Permit or Cannabis Delivery Service Permit, suspend the Cannabis Business Permit or Cannabis Delivery Service Permit with conditions for reinstatement if the hearing officer determines there are sufficient facts that the violations can be remedied in a timely manner, grant the renewal of the

Permit with or without conditions, deny the renewal, revoke the Permit, or fashion any other appropriate remedy. Should the Cannabis Business Permit holder or Cannabis Delivery Service Permit holder fail to timely comply with any imposed conditions for reinstatement, the Cannabis Business Permit or Cannabis Delivery Service Permit shall be revoked.

- (d) Within ten working days after the hearing, the hearing officer shall issue a determination in writing, specifying the conclusions and supporting reasons for his/her decision. The determination notice shall be sent registered or certified mail to the Cannabis Business Permit holder or Cannabis Delivery Service Permit holder and any other party that has requested notice.
- (e) The determination of the hearing officer may be appealed subject to the requirements of Sections 6.420.290 and 6.420.300. The decision at the appeal shall be final.
- (f) If the Cannabis Business Permit holder or Cannabis Delivery Service Permit holder fails to appeal within ten calendar days of the date the determination notice was mailed, then the denial of renewal, revocation, or suspension shall become final with no further right to appeal or review.

Section 6.420.280. Effect of State License Suspension, Revocation, or Termination.

Suspension of a State License, or by any of its departments or divisions, shall immediately suspend the ability of a Commercial Cannabis Business or Cannabis Delivery Service to operate within the City, until the State of California, or its respective department or division, reinstates or reissues the State License. Suspension lasting more than one year shall result in the revocation of the City's Cannabis Business Permit or Cannabis Delivery Service Permit. Revocation or termination of a State License, or by any of its departments or divisions, shall result in the immediate revocation of the City's Cannabis Business Permit or Cannabis Delivery Service Permit. At the City Manager's discretion, the Cannabis Business Owner may re-apply for a Cannabis Business Permit or Cannabis Delivery Service Permit at such time as it can demonstrate that the grounds for revocation of the State License no longer exist, or that the underlying deficiency has otherwise been cured.

Section 6.420.290. Written Request for Appeal.

- (a) Within ten calendar days after the date of an adverse decision regarding a Cannabis Business Permit or Cannabis Delivery Service Permit, a written appeal may be filed with the City Clerk setting forth the factual and legal basis for the appeal.
- (b) At the time of filing the appeal the appellant shall pay the designated appeal fee, established by resolution of the City Council.

Section 6.420.300. Appeal Hearing.

- (a) Upon receipt of the written appeal, the matter shall be set for a hearing before a hearing officer designated by the City Manager. The matter shall be heard de novo and the hearing shall be conducted pursuant to the procedures set forth by the City.
- (b) The City shall set a time and place for the appeal hearing and shall notify the Applicant, Cannabis Business Permit holder or Cannabis Delivery Service Permit holder, in writing, of the date and time, not later than ten working days before the date of the scheduled appeal hearing. The appeal hearing shall be conducted within 60 days of the filing of the appeal.
- (c) The formal rules of evidence and procedure applicable in a court of law shall not apply to the hearing. Either party may present witnesses or documents in support of their position.
- (d) The City shall notify the appellant of the hearing officer's decision, in writing, within ten working days after the appeal hearing.

**Section 6.420.310. Change in Location;
Updated Application
Form.**

- (a) Any time the Dispensing, testing, manufacturing, and Distribution location specified in the Cannabis Business Permit is changed, the Permittee shall submit an updated application form to the City Manager or his/her designee(s) prior to the change of location. The process and the fees for the Processing of the application form shall be the same

as the process and fees set forth in Sections 6.420.230. Approval of the new location shall be within the sole discretion of the City Manager, or his/her designee, and City Manager is authorized to deny the location change. Any change of location done without the written approval of the City Manager, or his/her designee, shall result in the immediate revocation of the Cannabis Business Permit.

- (b) Within fifteen calendar days of any other change in the information provided in the updated application form or any change in status of compliance with the provisions of this Chapter, including any change in management members, the Applicant shall file an updated application form with the City Manager, or his/her designee(s), for review along with an application amendment fee, as set forth in Sections 6.420.230.

Section 6.420.320. Transfer of Cannabis Business Permit.

- (a) A Cannabis Business Permit is nontransferable. Any change in Ownership or control of the Commercial Cannabis Business requires the Commercial Cannabis Business to apply for a new application during the annual application period pursuant to Section 6.420.230.
- (b) Any attempt to transfer a Cannabis Business Permit either directly or indirectly in violation of this section is hereby declared void, and such a

purported transfer shall be deemed a ground for revocation of the Permit.

Section 6.420.330. City Business License.

Prior to commencing Operations, a Commercial Cannabis Business shall obtain a City of San Buenaventura business license.

Section 6.420.340 . Building Permits and Inspection.

Prior to commencing Operations, a Commercial Cannabis Business shall be subject to a mandatory building inspection and must obtain all required permits and approvals which would otherwise be required for any business of the same size and intensity operating in that zone. This includes but is not limited to obtaining any required building Permit(s), the San Buenaventura Fire Department approvals, Health Department approvals and other zoning and land use Permit(s) and approvals.

Section 6.420.350. Certification from the Community Development Director.

Prior to commencing Operations, a Commercial Cannabis Business must obtain a certification from the Community Development Director, or his/her designee(s) that the business is located on a site that meets all of the requirements of Sections 6.420.360 and 6.420.370.

Section 6.420.360. Right to Occupy and to Use Property.

Prior to the City's issuance of a Cannabis Business Permit pursuant to this Chapter, any Person intending to open and to operate a Commercial Cannabis Business shall first provide sufficient evidence of the legal right to occupy and to use the proposed location. If the proposed location will be leased from the property owner, the Applicant shall be required to provide a signed and notarized statement from the owner of the property, acknowledging that the property owner has read this Chapter and consents to the Operation of the Commercial Cannabis Business on the owner's property.

Section 6.420.370. Location and Design of Cannabis Businesses.

Commercial Cannabis Businesses are subject to the zoning requirements laid out in Section 24.105.200 as well as the following location restrictions and requirements:

- (a) Commercial Cannabis Businesses shall not be located within sensitive use buffer zones, as established by Resolution of the City Council.
- (b) Each proposed Commercial Cannabis Business shall:
 - (1) Conform to the City's general plan, any applicable specific plans, master plans, and design requirements.

- (2) Comply with all applicable zoning and related development standards.
- (3) Be constructed in a manner that minimizes odors to surrounding uses, and promotes quality design and construction, and consistency with the surrounding properties.
- (4) Be adequate in size and shape to accommodate the yards, walls, fences, parking and loading facilities, landscaping and all items required for the development.
- (5) Be served by highways adequate in width and improved as necessary to carry the kind and quantity of traffic such use will generate.
- (6) Be provided with adequate electricity, sewerage, disposal, water, fire protection and storm drainage facilities for the intended purpose.
- (7) For locations within the Coastal Zone, be constructed and operated in a manner that maintains public access to the coast, and avoids adverse impact to coastal resources.

Section 6.420.380. Limitations on City's Liability.

To the fullest extent permitted by law, the City of San Buenaventura shall not assume any liability whatsoever with respect to having

issued a Cannabis Business Permit or Cannabis Delivery Service Permit pursuant to this Chapter or otherwise approving the Operation of any Commercial Cannabis Business. Before being issued a Cannabis Business Permit or Cannabis Delivery Service Permit, an Applicant shall do all of the following:

- (a) Execute an agreement, in a form approved by the City Attorney, agreeing to indemnify, defend (at Applicant's sole cost and expense), and hold the City of San Buenaventura, and its officers, officials, employees, representatives, and agents, harmless, from any and all claims, losses, damages, injuries, liabilities or losses which arise out of, or which are in any way related to, the City's issuance of the commercial Cannabis Business Permit or Cannabis Delivery Service Permit, the City's decision to approve the Operation of the Commercial Cannabis Business or activity, the process used by the City in making its decision, or the alleged violation of any federal, state or local laws by the Commercial Cannabis Business or any of its officers, employees or agents.
- (b) For Commercial Cannabis Businesses, provide and agree to maintain insurance at coverage limits, and with conditions thereon determined necessary and appropriate from time to time by the City Manager.
- (c) For Cannabis Delivery Services, provide and agree to maintain insurance at

coverage limits, and with conditions thereon determined necessary and appropriate from time to time by the City Attorney, but shall be at no time less than the following:

- (1) \$1,000,000 per Person
- (2) \$2,000,000 per accident or bodily injury
- (3) \$1,000,000 per accident of property damage

If the Cannabis Delivery Service is unable to obtain a commercial policy with the above coverage limits, a personal automobile insurance policy must be endorsed to cover the Cannabis Delivery activities.

- (d) Reimburse the City of San Buenaventura for all costs and expenses, including but not limited to legal fees and costs and court costs, which the City of San Buenaventura may be required to pay as a result of any legal challenge related to the City's approval of the Applicant's Cannabis Business Permit or Cannabis Delivery Service Permit, or related to the City's approval of a Commercial Cannabis Activity. The City of San Buenaventura may, at its sole discretion, participate at its own expense in the defense of any such action, but such participation shall not relieve any of the obligations imposed hereunder.

Section 6.420.390. Records and Recordkeeping.

- (a) Each Owner and operator of a Commercial Cannabis Business or Cannabis Delivery Service shall

maintain accurate books and records in an electronic format, detailing all of the revenues and expenses of the business, and all of its assets and liabilities. On no less than an annual basis (at or before the time of the renewal of a Cannabis Business Permit issued pursuant to this Chapter), or at any time upon reasonable request of the City, each Commercial Cannabis Business or Cannabis Delivery Service shall file a sworn statement detailing the number of Sales by the Commercial Cannabis Business or Cannabis Delivery Service during the previous twelve-month period (or shorter period based upon the timing of the request), provided on a per-month basis. The statement shall also include gross Sales for each month, and all applicable taxes and fees paid or due to be paid. On an annual basis, each Owner and operator shall submit to the City a financial audit of the business's Operations conducted by an independent certified public accountant. Each Permittee shall be subject to a regulatory compliance review and financial audit as determined by the City Manager or his/her designee(s).

- (b) Each Owner and operator of a Commercial Cannabis Business or Cannabis Delivery Service shall maintain a current register of the names and the contact information (including the name, address, and telephone number) of anyone owning or holding an interest in the Commercial Cannabis Business or Cannabis Delivery Service, and separately of all the officers,

managers, employees, agents and volunteers currently employed or otherwise engaged by the Commercial Cannabis Business or Cannabis Delivery Service. The register required by this paragraph shall be provided to the City Manager, or his/her designee(s), upon a reasonable request.

- (c) All Commercial Cannabis Businesses or Cannabis Delivery Services shall maintain an inventory control and reporting system that accurately documents the present location, amounts, and descriptions of all Cannabis and Cannabis Products for all stages of the growing and production or manufacturing, laboratory testing processes until purchase as set forth in the MAUCRSA.

Section 6.420.400. Security Measures.

- (a) A permitted Commercial Cannabis Business shall implement sufficient security measures to deter and prevent the unauthorized entrance into areas containing Cannabis or Cannabis Products, and to deter and prevent the theft of Cannabis or Cannabis Products at the Commercial Cannabis Business. In addition to any other security measures the City Manager, Chief of Police, or Community Development Director deem necessary, the security measures shall, at minimum, include the following:
 - (1) Perimeter fencing and exterior lighting systems (including motion

sensors) for after-hours security, as approved by the Chief of Police, or his/her designee.

- (2) Preventing individuals from remaining on the Premises of the Commercial Cannabis Business if they are not engaging in an activity directly related to the permitted Operations of the Commercial Cannabis Business.
- (3) Establishing Limited-Access Areas accessible only to authorized Commercial Cannabis Business Personnel.
- (4) Storing all Cannabis and Cannabis Products in a secured and locked vault or vault equivalent, except for live growing clone plants which are being sold at a Commercial Cannabis Business, where applicable. All safes and vaults shall be compliant with Underwriter Laboratories burglary-resistant and fire-resistant standards. All Cannabis and Cannabis Products, including live clone plants that are being sold, shall be kept in a manner as to prevent diversion, theft, and loss.
- (5) Installing 24-hour security surveillance cameras of at least HD-quality to monitor all entrances and exits to and from the Premises, all interior spaces within the Commercial Cannabis Business which are open and

accessible to the public, all interior spaces where Cannabis, cash or currency, is being stored for any period of time on a regular basis and all interior spaces where diversion of Cannabis could reasonably occur. All cameras shall record in color. All exterior cameras shall be in weather-proof enclosures, shall be located so as to minimize the possibility of vandalism, and shall have the capability to automatically switch to black and white in low light conditions. The Commercial Cannabis Business shall be responsible for ensuring that the security surveillance camera's footage is remotely accessible by the City Manager, or his/her designee(s), and that it is compatible with the City's software and hardware. In addition, remote and real-time, live access to the video footage from the cameras shall be provided to the Chief of Police, or his/her designee(s). Video recordings shall be maintained for a minimum of ninety days and shall be made available to the Chief of Police, or his/her designee(s), upon request. Video shall be of sufficient quality for effective prosecution of any crime found to have occurred on the site of the Commercial Cannabis Business and shall be capable of enlargement via projection or other means. Internet Protocol address

information shall be provided to the San Buenaventura Police Department by the Commercial Cannabis Business, to facilitate remote monitoring of security cameras by the Department or its designee. Each business shall have network security protocols that are certified by Underwriters Laboratories.

- (9) Installing sensors to detect entry and exit from all secure areas. Such sensors shall be monitored in real time by a security company licensed by the State of California Bureau of Security and Investigative Services.
- (10) Having a professionally installed, maintained, and monitored real-time alarm system by a security company licensed by the State of California Bureau of Security and Investigative Services.
- (11) Any bars installed on the windows or the doors of the Commercial Cannabis Business shall be installed only on the interior of the building.
- (12) Security Personnel, on-site 24 hours a day, or alternative security as authorized by the City Manager, or his/her designee(s), must have a verified response security patrol when closed. Security Personnel must be licensed by the State of California

Bureau of Security and Investigative Services Personnel and shall be subject to the prior review and approval of the City Manager, or his/her designee(s), with such approval not to be unreasonably withheld.

- (13) Having the capability to remain secure during a power outage and ensuring that all access doors are not solely controlled by an electronic access panel to ensure that locks are not released during a power outage.
- (14) Locking entrance areas at all times and under the control of a designated responsible party that is either: (a) an employee of the Commercial Cannabis Business; or (b) a licensed security professional.
- (15) Each Commercial Cannabis Business shall have an accounting software system in place to provide point of Sale data as well as audit trails or both product and cash, where applicable.
- (16) Each Commercial Cannabis Business shall demonstrate to the Chief of Police, City Manager or their designees, compliance with the state's track and trace system for Cannabis and Cannabis Products, as soon as it is Operational.

- (17) Exterior vegetation shall be planted, altered and maintained in a fashion that precludes its use as a hiding place for Persons on the Premises.
- (18) Emergency access and emergency evacuation plans that are in compliance with state and local fire safety standards.
- (19) Installation of 'mosquitos' (high-pitch frequency devices) as a deterrent to vandalism/loitering.
- (b) Each Commercial Cannabis Business shall identify a designated security representative/liaison to the City of San Buenaventura, who shall be reasonably available to meet with the City Manager or his/her designee(s) regarding any security-related measures or and Operational issues. The designated security representative/liaison shall, on behalf of the Commercial Cannabis Business, annually maintain a copy of the current security plan on the Premises of the business, to present to the City Manager or his/her designee upon request that meets the following requirements:
 - (1) Confirms that a designated Manager will be on duty during business hours and will be responsible for monitoring the behavior of employees.
 - (2) Identifies all Managers of the Commercial Cannabis Business and their contact phone numbers.

- (3) Confirms that first aid supplies and Operational fire extinguishers are located in the service areas and the Manager's office.
 - (4) Confirms that burglar, fire, and panic alarms are Operational and monitored by a licensed security company 24 hours a day, seven days a week, and provides contact information for each licensed security company.
 - (5) Identify a sufficient number of licensed, interior and exterior security Personnel who will monitor individuals inside and outside the Commercial Cannabis Business, the parking lot, any adjacent property under the business' control, and ensure that the parking lot is cleared of employees and their vehicles one-half hour after closing.
- (c) As part of the application and Permitting process each Commercial Cannabis Business shall have a storage and Transportation plan, which describes in detail the procedures for safely and securely storing and Transporting all Cannabis, Cannabis Products, and any hazardous materials that may be used by the business, and any currency.
- (d) The Commercial Cannabis Business shall cooperate with the City whenever the City Manager or his/her designee(s) makes a request, with or without prior notice, to inspect or audit the effectiveness of any security plan or of any other requirement of this Chapter.

- (e) A Commercial Cannabis Business shall notify the City Manager or his/her designee(s) within twenty-four (24) hours after discovering any of the following:
 - (1) Significant discrepancies identified during inventory. The level of significance shall be determined by the regulations promulgated by the City Manager or his/her designee(s).
 - (2) Diversion, theft, loss, or any criminal activity involving the Commercial Cannabis Business or any agent or employee of the Commercial Cannabis Business.
 - (3) The loss or unauthorized alteration of records related to Cannabis, Customers or employees or agents of the Commercial Cannabis Business.
 - (4) Any other breach of security.
- (f) Compliance with the foregoing requirements shall be verified by the City Manager or his/her designee prior to commencing business Operations. The City Manager or his/her designee may supplement these security requirements once Operations begin, subject to review by the City Manager or his/her designee if requested by the business Owner.

Section 6.420.410. General Operating Requirements.

- (a) Commercial Cannabis Businesses may operate only during the hours specified in the Cannabis Business Permit.
- (b) No Person under the age of 21 shall operate, or be issued a Cannabis Business Permit or Cannabis Delivery Service Permit.
- (b) Restriction on Sales and Consumption. Cannabis shall not be consumed by any Person on the Premises of any Commercial Cannabis Business. No Person shall cause or permit the Sale, Dispensing, or consumption of alcoholic beverages or tobacco on or about the Premises of the Commercial Cannabis Business.
- (c) No Cannabis or Cannabis Products or graphics depicting Cannabis or Cannabis Products shall be visible from the exterior of any property issued a Cannabis Business Permit, or on any of the vehicles owned or used as part of the Commercial Cannabis Business. No outdoor storage of Cannabis or Cannabis Products is permitted at any time.
- (d) Reporting and Tracking of Product and of Gross Sales. Each Commercial Cannabis Business shall have in place a point-of-sale or management inventory tracking system to track and report on all aspects of the Commercial Cannabis Business including, but not limited to,

such matters as Cannabis tracking, inventory data, gross Sales (by weight and by Sale) and other information which may be deemed necessary by the City. The Commercial Cannabis Business shall ensure that such information is compatible with the City's record-keeping systems. In addition, the system must have the capability to produce historical transactional data for review. Furthermore, any system selected must be approved and authorized by the City Manager or his/her designee(s) prior to being used by the Permittee.

- (e) All Cannabis and Cannabis Products sold, distributed or Manufactured shall be cultivated, Manufactured, and Transported by licensed facilities that maintain Operations in full conformance with the State and local regulations.
- (f) Emergency Contact. Each Commercial Cannabis Business shall provide the City Manager or his/her designee(s) with the name, telephone number (both land line and mobile, if available) of an on-site employee or Owner to whom emergency notice can be provided at any hour of the day.
- (g) Signage and Notices.
 - (1) In addition to the requirements otherwise set forth in this section, business identification signage for a Commercial Cannabis Business shall conform to the requirements of the City of San Buenaventura

ordinance, which may require a City sign permit.

- (2) No signs placed on the Premises of a Commercial Cannabis Business shall obstruct any entrance or exit to the building or any window.
- (3) Each entrance to a Commercial Cannabis Business shall be visibly posted with a clear and legible notice indicating that smoking, ingesting, or otherwise consuming Cannabis on the Premises or in the areas adjacent to the Commercial Cannabis Business is prohibited.
- (4) Business identification signage shall be limited to that needed for identification only and shall not contain any logos or information that identifies, advertises, or lists the services or the products offered. No Commercial Cannabis Business shall advertise by having a Person holding a sign and advertising the business to passersby, whether such Person is on the Premises of the Commercial Cannabis Business or elsewhere including, but not limited to, the public right-of-way.
- (5) Signage shall not depict any image of Cannabis or Cannabis Products. No banners, flags, billboards or other prohibited signs may be used at any time.

(6) In accordance with state law and regulations or as stipulated in the City's regulatory Permit, holders of a Cannabis Business Permit shall agree that, as an express and ongoing condition of Cannabis Business Permit issuance and subsequent renewal, the holder of the Cannabis Business Permit shall be prohibited from advertising any Commercial Cannabis Business located in the city limits utilizing a billboard (fixed or mobile), bus shelter, placard, aircraft, or other similar forms of advertising. This paragraph is not intended to place limitations on the ability of a Commercial Cannabis Business to advertise in other legally authorized forms, including on the internet, in magazines, or in other similar ways.

(h) Minors.

(1) Persons under the age of twenty-one (21) years shall not be allowed on the Premises of a Commercial Cannabis Business and shall not be allowed to serve as a driver for a Cannabis Delivery Service. It shall be unlawful and a violation of this Chapter for any Person to employ any Person at a Commercial Cannabis Business who is not at least twenty-one (21) years of age.

- (2) Notwithstanding Section 6.420.410(h)(1), Persons aged 18 to 20 years shall be allowed on the Premises of a Commercial Cannabis Business if they can produce a Physician's Recommendation. In that event, such Persons can lawfully purchase Cannabis for the sole purpose of addressing the medical need that is the subject of the Physician's Recommendation.
- (3) The entrance to the Commercial Cannabis Business shall be clearly and legibly posted with a notice that no Person under the age of twenty-one (21) years of age is permitted to enter upon the Premises of the Commercial Cannabis Business, unless such Person is between the ages of 18 and 20 years of age and can produce a valid Physician's Recommendation.
- (i) Odor Control. Odor control devices and techniques shall be incorporated in all Commercial Cannabis Businesses to ensure that odors from Cannabis are not detectable off-site. Commercial Cannabis businesses shall provide a sufficient odor absorbing ventilation and exhaust system so that odor generated inside the Commercial Cannabis Business that is distinctive to its Operation is not detected outside of the facility, anywhere on adjacent property or public rights-of-way, on or about the exterior or interior common area

walkways, hallways, breezeways, foyers, lobby areas, or any other areas available for use by common tenants or the visiting public, or within any other unit located inside the same building as the Commercial Cannabis Business. As such, Commercial Cannabis Businesses must install and maintain the following equipment, or any other equipment which the Community Development Director, or his/her designee(s), determine is a more effective method or technology:

- (1) An exhaust air filtration system with odor control that prevents internal odors from being emitted externally;
 - (2) An air system that creates negative air pressure between the Commercial Cannabis Business's interior and exterior, so that the odors generated inside the Commercial Cannabis Business are not detectable on the outside of the Commercial Cannabis Business.
-
- (j) Display of Permit and City Business License. The original copy of the Cannabis Business Permit issued by the City pursuant to this Chapter and the City-issued business license shall be posted inside the Commercial Cannabis Business in a location readily visible to the public.
 - (k) Background Check. Pursuant to California Penal Code Sections

11105(b)(11) and 13300(b)(11), which authorizes City authorities to access state and local summary criminal history information for Cannabis employment, licensing, or certification purposes; and authorizes access to federal level criminal history information by transmitting fingerprint images and related information to the Department of Justice to be transmitted to the Federal Bureau of Investigation, every Person listed as an Owner, manager, supervisor, employee, contract employee or who otherwise works in a Commercial Cannabis Business must submit fingerprints and other information deemed necessary by the Chief of Police or his/her designee(s) for a background check by the City of San Buenaventura Police Department. Pursuant to California Penal Sections 11105(b)(11) and 13300(b)(11), which requires that there be a requirement or exclusion from Cannabis employment, licensing or certification based on specific criminal conduct on the part of the subject of the record. No Person shall be issued a Permit to operate a Commercial Cannabis Business or a related work permit unless they have first cleared the background check, as determined by the Chief of Police, or his/her designee(s), as required by this section. A fee for the cost of the background investigation, which shall be the actual cost to the City of San Buenaventura to conduct the background investigation as it deems necessary and appropriate, shall be paid at the time the application for a

Cannabis Business Permit is submitted. Evidence of a conviction of any of the offenses enumerated in Business and Professions Code Section 26057(b)(4), absent a Certificate of Rehabilitation, shall be grounds for immediate disqualification of the Applicant.

- (l) Loitering. The Owner and/or operator of a Commercial Cannabis Business shall prohibit loitering by Persons outside the facility both on the Premises and within fifty feet of the Premises. The Commercial Cannabis Business shall notify the San Buenaventura Police Department if anyone continues to loiter around the building or Premises after all reasonable action has been taken to remove the individual(s) and the action has failed to do so in a timely manner.
- (m) Each Commercial Cannabis Business shall establish minimum training standards for all employees. The City Manager, or his/her designee, shall have the discretion to require other training for the business Operations should the City identify deficiencies or non-compliance issues with City or state requirements.

Section 6.420.420. Amendments to General Operating Requirements.

The City Manager, or his/her designee, may develop other Commercial Cannabis Business operational requirements or regulations as are determined to be necessary to protect the public health, safety and welfare. These new

requirements and regulations shall be effective against all holders of a Cannabis Business Permit, even if the Cannabis Business Permit has already been issued.

Section 6.420.430. Operating Requirements for Store Front/Retail Facilities.

- (a) The number of Retailers allowed to operate within the City at any one time and be issued Cannabis Business Permit shall be set by resolution of the City Council.
- (b) Individuals must show their government-issued identification, and, in the case of medical Cannabis facilities, their Physician's Recommendation, or a Cannabis card issued pursuant to Health and Safety Code Section 11362.71, in order to gain access into the Retailer. The government-issued identification and, if applicable, Physician's Recommendation or Cannabis card must also be shown at the point of Sale station at the time of purchase. Physician's Recommendations are not to be obtained or provided at the Premises of the Retailer.
- (c) Security personnel may be allowed to carry firearms, if authorized by the Chief of Police.
- (d) Retailers may have only that quantity of Cannabis and Cannabis Products to

meet the daily demand readily available for Sale on-site in the retail Sales area of the Retailer. Additional Cannabis Product may be stored in a secured, locked area to which Customers, vendors, and visitors shall not have access.

- (e) All restroom facilities shall remain locked and under the control of management.
- (f) Retailers authorized to conduct retail activities shall only serve Customers who are within the licensed Premises, or at a Delivery address that meets the requirements of this division.
 - (1) The Sale and Delivery of Cannabis goods shall not occur through a pass-through window or a slide-out tray to the exterior of the Premises.
 - (2) Retailers shall not operate as or with a drive-in or drive-through at which Cannabis Products are sold to Persons within or about a motor vehicle.
 - (3) No Cannabis Products shall be sold and/or delivered by any means or method to any Person within a motor vehicle.
 - (4) All Cannabis Products sold by a retail business shall be contained in child-resistant packaging.
 - (5) Retailers shall record point-of-Sale areas and areas where Cannabis Products are displayed for Sale on the video surveillance system. At each point-of-Sale location, camera placement must allow for

the recording of the facial features of any Person purchasing or Selling Cannabis Products, or any Person in the retail area, with sufficient clarity to determine identity.

- (g) **Authorized Sales.** A Retailer shall only Sell Adult-Use Cannabis and Adult-Use Cannabis Products to individuals who are at least 21 years of age. A Retailer shall only Sell medicinal Cannabis or medicinal Cannabis Products to individuals who are at least 18 years of age, but not yet 21, if those individuals are in possession of a valid Physician's Recommendation. Medicinal Cannabis Sales to individuals 21 years of age and older are unrestricted. Retailers shall verify the age and all necessary documentation of each individual to ensure the Customer is not under the age of eighteen years. If the potential Customer is 18 to 20 years old, Retailer shall confirm the Customer's possession of a valid doctor's recommendation and/or Health and Safety Code Section 11362.71 identification card (Medical Marijuana Card). For Adult-Use purchases, Retailers shall verify that all Customers are 21 years of age or older for the purchase of Cannabis or Cannabis Products.
- (h) **Limited-Access Areas.** A Retailer shall establish Limited-Access Areas and Permit only authorized individuals to enter the Limited-Access Areas. Authorized individuals include individuals employed by the Retailer as

well as any outside vendors, contractors, or other individuals conducting business that requires access to the Limited-Access Area. All individuals granted access to the limited access area shall be at least 21 years of age, and if not employed by the Retailer, shall be escorted at all times by an employee of the Retailer. A Retailer shall maintain a log of all individuals who are not employees who are granted access to the Limited-Access Area. These logs shall be made available to the City Manager, Chief of Police, or their designees, upon request.

**Section 6.420.440. Operating
Requirements for
Non-Store-Front
Retailer.**

- (a) Non-Store-Front Retailer Owners and Operators are required to verify the age and the necessary documentation of each Customer. They must ensure that medical Customers are at least eighteen years of age, and verify that the Customer has a valid doctor's recommendation. Physician Recommendations are not to be obtained or provided at the Premises of the Retailer. In the case of adult-use Customers, they must verify that the Customer is at least twenty-one years of age. Sales shall only be made to Persons matching this criteria.
- (b) All Store-Front Retailers, Non-Store-Front Retailers and Microbusinesses which conduct Deliveries into or within

the City of San Buenaventura shall be required to obtain a Cannabis Delivery Service Permit from the City of San Buenaventura in order to conduct Deliveries regardless if they are located in the City or another jurisdiction.

Section 6.420.450. Operating Requirements for Distributors.

- (a) A Distributor shall not store non-Cannabis Products or non-Cannabis accessories that are to be sold to another party on any permitted Premises. Additionally, a Distributor shall not distribute non-Cannabis Products or non-Cannabis accessories at its Premises. For the purposes of this section, non-Cannabis Products are any goods that do not meet the definition of Cannabis or Cannabis Products.
- (b) After taking physical possession of a Cannabis or Cannabis Products batch, the Distributor shall contact a Testing Laboratory and arrange for a Testing Laboratory employee to come to the Distributor's licensed Premises to select a representative sample for laboratory testing. The determination of which Cannabis or Cannabis Products are to be included in the sample for laboratory testing shall be left to the sole discretion of the Testing Laboratory employee.
- (c) A Distributor shall ensure that all Cannabis and Cannabis Product batches are stored separately and distinctly from other Cannabis and

Cannabis Product batches on the
Distributor's Premises.

- (d) The Distributor shall ensure that the batch size from which the sample is taken meets the requirements of state law, specifically the testing provisions within the California Code of Regulations.
- (e) A Distributor or an employee of the Distributor shall be physically present to observe the Testing Laboratory employee obtain the sample of Cannabis goods for testing and shall ensure that the increments are taken from throughout the batch. The sampling shall be video-recorded and the recording kept available to the state and the City for a minimum of 180 days, pursuant to Title 16, Division 42, Section 5305 of the California Code of Regulations.
- (f) A Distributor shall not Transport Cannabis or Cannabis Products to a licensed Retailer until and unless it has verified that the Cannabis or Cannabis Products have been tested and certified by a Testing Laboratory as being in compliance with State health and safety requirements pursuant to Title 16, Division 42, Sections 5705, 5710 and 5714 of the California Code of Regulations.

**Section 6.420.460. Operating
Requirements for
Testing Labs.**

- (a) Testing Laboratories shall be required to conduct all testing in a manner pursuant to Business and Professions Code Section 26100 and shall be subject to state and local law. Each Testing Laboratory shall be subject to additional regulations as determined from time to time as more regulations are developed under this Chapter and any subsequent State of California legislation regarding the same.
- (b) Testing Laboratories shall conduct all testing in a manner consistent with general requirements for the competence of testing and calibrations activities, including sampling using verified methods.
- (c) All Testing Laboratories performing testing shall obtain and maintain ISO/IEC 17025 accreditation as required by the Bureau of Cannabis Control.
- (d) Testing Laboratories shall destroy any harvest batch whose testing sample indicates noncompliance with health and safety standards required by the Bureau unless remedial measures can bring the Cannabis or Cannabis Products into compliance with quality standards as specified by law and implemented by the Bureau.
- (e) Each operator shall ensure that a Testing Laboratory employee takes the sample of Cannabis or Cannabis Products from the Distributor's Premises for testing required by State law and that the Testing Laboratory employee

Transports the sample to the Testing Laboratory.

- (f) Except as provided by State law, a Testing Laboratory shall not acquire or receive Cannabis or Cannabis Products except from a Permittee in accordance with State law, and shall not Distribute, Sell, or Dispense Cannabis, or Cannabis Products, from the Premises from which the Cannabis or Cannabis Products were acquired or received. All transfer or Transportation shall be performed pursuant to a specified chain of custody protocol.
- (g) A Testing Laboratory may receive and test samples of Cannabis or Cannabis Products from a Qualified Patient or Primary Caregiver only if the Qualified Patient or Primary Caregiver presents the Qualified Patient's valid Physician's Recommendation for Cannabis for medicinal purpose. A Testing Laboratory shall not certify samples from a Qualified Patient or Primary Caregiver for reSale or transfer to another party or Permittee. All tests performed by a Testing Laboratory for a Qualified Patient or Primary Caregiver shall be recorded with the name of the Qualified Patient or Primary Caregiver and the amount of the Cannabis or Cannabis Products received.

**Section 6.420.470. Operating
Requirements for
Cannabis
Manufacturing:
Edibles and Other**

**Cannabis Products;
Sale of Edible and
Other Cannabis
Products.**

- (a) Cannabis Manufacturing shall only be permitted pursuant to Section 6.420.220 of this code or any subsequent created manufacturing State License as defined in MAUCRSA.
- (b) Any compressed gases used in the Manufacturing process shall not be stored on any property within the City in containers that exceeds the amount which is approved by the San Buenaventura Fire Department and authorized by the Cannabis Business Permit. Each site or parcel subject to a Cannabis Business Permit shall be limited to a total number of tanks as authorized by the San Buenaventura Fire Department on the property at any time.
- (c) Cannabis Manufacturing facilities may use heat, screens, presses, steam distillation, ice water, ethanol and other methods without employing solvents or gases to create keef, hashish, bubble hash, or infused dairy butter, or oils or fats derived from natural sources, and other extracts.
- (d) If an extraction process uses a professional grade closed loop CO₂ gas extraction system, every vessel must be certified by the Manufacturer for its safe use as referenced in Section

6.420.470(f). The CO₂ must be of at least ninety-nine percent purity.

- (d) Closed loop systems for compressed gas extraction systems must be commercially Manufactured and bear a permanently affixed and visible serial number.
- (f) Certification from an engineer licensed by the State of California, or by a certified industrial hygienist, must be provided to the Community Development Department for a professional grade closed loop system used by any Commercial Cannabis Manufacturing Manufacturer to certify that the system was commercially Manufactured, is safe for its intended use, and was built to codes of recognized and generally accepted good engineering practices, including but not limited to:
 - (1) The American Society of Mechanical Engineers (ASME);
 - (2) American National Standards Institute (ANSI);
 - (3) Underwriters Laboratories (UL); or
 - (4) The American Society for Testing and Materials (ASTM)
- (g) The certification document must contain the signature and stamp of the professional engineer or industrial

hygienist and serial number of the extraction unit being certified.

- (h) Professional closed loop systems, other equipment used, the extraction Operation, and facilities must be approved for their use by the Fire Department and meet any required fire, safety, and building code requirements specified in the California Building Reference Codes.
- (i) Cannabis Manufacturing Facilities may use food grade glycerin, ethanol, and propylene glycol solvents to create or refine extracts. Ethanol should be removed from the extract in a manner to recapture the solvent and ensure that it is not vented into the atmosphere.
- (j) Cannabis Manufacturing Facilities creating Cannabis extracts must develop standard operating procedures, good manufacturing practices, and a training plan prior to producing extracts for the marketplace.
- (k) Any Person using solvents or gases in a closed looped system to create Cannabis extracts must be fully trained on how to use the system, have direct access to applicable material safety data sheets and handle and store the solvents and gases safely.
- (l) Parts per million for one gram of finished extract cannot exceed state standards for any residual solvent or gas when quality assurance tested.

Section 6.420.480. Fees and Charges.

- (a) No Person may commence or continue any Commercial Cannabis Business or Cannabis Delivery Service in the City, without timely paying in full all fees and charges required for the Operation of a Commercial Cannabis Activity. Fees and charges associated with the Operation of a Commercial Cannabis Business or Cannabis Delivery Service shall be established by resolution of the City Council which may be amended from time to time.
- (b) All Commercial Cannabis Businesses or Cannabis Delivery Services authorized to operate under this Chapter shall pay all Sales, use, business and other applicable taxes, and all license, registration, and other fees required under federal, state and local law. Each Commercial Cannabis Business or Cannabis Delivery Service shall cooperate with the City with respect to any reasonable request to audit the Commercial Cannabis Business' or Cannabis Delivery Service's books and records for the purpose of verifying compliance with this section, including but not limited to a verification of the amount of taxes or fees required to be paid during any period.
- (c) Prior to operating in the City and as a condition of issuance of a regulatory Permit, the operator of each Commercial Cannabis Business shall enter into an Operational or community

benefit agreement with the City setting forth the terms and conditions under which the Commercial Cannabis Business will operate that are in addition to the requirements of this Chapter, including, but not limited to, public outreach and education, community service, payment of fees and other charges as mutually agreed, and such other terms and conditions that will protect and promote the public health, safety and welfare.

Section 6.420.490. Promulgation of Regulations, Standards and Other Legal Duties.

- (a) In addition to any regulations adopted by the City Council, the City Manager, or his/her designee, is authorized to establish any additional rules, regulations and standards governing the issuance, denial or renewal of Cannabis Business Permits, the ongoing Operation of Commercial Cannabis Businesses and the City 's oversight, or concerning any other subject determined to be necessary to carry out the purposes of this Chapter.
- (b) Regulations shall be published on the City's website.
- (c) Regulations promulgated by the City Manager shall become effective upon date of publication and shall apply to all holders of the Cannabis Business Permit, regardless of when the Cannabis Business Permit was issued.

Commercial Cannabis Businesses shall be required to comply with all state and local laws and regulations, including but not limited to any rules, regulations or standards adopted by the City Manager or his/her designee.

Section 6.420.500. Community Relations.

- (a) Each Commercial Cannabis Business shall provide the name, telephone number, and email address of a community relations contact to whom notice of problems associated with the Commercial Cannabis Business can be provided. Each Commercial Cannabis Business shall also provide the above information to all businesses and residences located within one hundred feet of the Commercial Cannabis Business.
- (b) During the first year of Operation pursuant to this Chapter, the Owner, manager, and community relations representative from each Commercial Cannabis Business holding a Cannabis Business Permit issued pursuant to this Chapter shall attend meetings with the City Manager, or his/her designee(s), and other interested parties as deemed appropriate by the City Manager, or his/her designee(s), to discuss costs, benefits, and other community issues arising as a result of implementation of this Chapter. After the first year of Operation, the Owner, manager, and community relations representative from each such Commercial Cannabis Business shall meet with the City

Manager, or his/her designee(s) when and as requested by the City Manager, or his/her designee(s).

- (c) Commercial Cannabis Businesses to which a Cannabis Business Permit is issued pursuant to this Chapter shall develop a City-approved public outreach and educational program for youth organizations and educational institutions that outlines the risks of youth addiction to Cannabis, and that identifies resources available to youth related to drugs and drug addiction.

Section 6.420.510. Fees Deemed Debt to the City of San Buenaventura.

The amount of any fee, cost or charge imposed pursuant to this Chapter shall be deemed a debt to the City of San Buenaventura that is recoverable through an authorized administrative process as set forth in the City ordinance, or in any court of competent jurisdiction.

Section 6.420.520. Permit Holder Responsible for Violations.

The Person to whom a Cannabis Business Permit or Cannabis Delivery Service Permit is issued pursuant to this Chapter shall be responsible for all violations of the laws of the State of California or of the regulations and/or the ordinances of the City of San Buenaventura, whether committed by the Permittee or any employee or agent of the Permittee, which violations occur in or about

the Premises of the Commercial Cannabis Business or Cannabis Delivery Service whether or not said violations occur within the Permit holder's presence.

Section 6.420.530. Inspection and Enforcement.

- (a) The City Manager, or his/her designee(s) charged with enforcing the provisions of the City of San Buenaventura Municipal Code, or any provision thereof, may enter the location of a Commercial Cannabis Business at any time, without notice, and inspect the location of any Commercial Cannabis Business as well as any recordings and records required to be maintained pursuant to this Chapter or under applicable provisions of State law.
- (b) Any motor vehicle used by a Cannabis Delivery Service to deliver Cannabis or Cannabis Products is subject to inspection by the City at all times.
- (b) It is unlawful for any Person having responsibility over the Operation of a Commercial Cannabis Business or Cannabis Delivery Service, to impede, obstruct, interfere with, or otherwise not to allow, the City to conduct an inspection, review or copy records, recordings or other documents required to be maintained by a Commercial Cannabis Business or Cannabis Delivery Service under this Chapter or under state or local law. It is also unlawful for a Person to conceal,

destroy, deface, damage, or falsify any records, recordings or other documents required to be maintained by a Commercial Cannabis Business or Cannabis Delivery Service under this Chapter or under state or local law.

- (c) The City Manager, or his/her designee(s) charged with enforcing the provisions of this Chapter may enter the location of a Commercial Cannabis Business at any time during the hours of Operation and without notice to obtain samples of the Cannabis to test for public safety purposes. Any samples obtained by the City of San Buenaventura shall be logged, recorded, and maintained in accordance with established procedures by the City of San Buenaventura's City Manager or these regulations.

Section 6.420.540. Compliance with State Regulation.

It is the stated intent of this Chapter to regulate Cannabis Delivery Service activity in the City of San Buenaventura in compliance with all provisions of the MAUCRSA and any subsequent state legislation.

Section 6.420.550. Violations Declared A Public Nuisance.

Each and every violation of the provisions of this Chapter is hereby deemed unlawful and a public nuisance.

Section 6.420.560. Each Violation A Separate Offense.

Each and every violation of this Chapter shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by this Code.

Additionally, as a nuisance per se, any violation of this Chapter shall be subject to injunctive relief. Violators shall be liable for payment to the City of any monies unlawfully obtained, costs of abatement, costs of investigation, attorney fees, and any other relief or remedy available at law or in equity. The City may also pursue any and all remedies and actions available and applicable under state and local laws for any violations committed by the Cannabis Delivery Service or Persons related to, or associated with, the Cannabis Delivery Service activity.

Section 6.420.570. Criminal Penalties.

A violation of this chapter is a misdemeanor and may be punished as such according to the provisions of Chapter 1.150 of this Code.

Section 6.420.580. Remedies Cumulative And Not Exclusive.

The remedies provided herein are not to be construed as exclusive remedies. The City is authorized to pursue any proceedings or remedies provided by law.”

Section 2. SEVERABILITY.

If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision will not affect the validity of the remaining portions of this ordinance. The City Council declares that it would have passed this ordinance and

each and every section, subsection, sentence, clause, or phrase not declared invalid or unconstitutional without regard to whether any portion of the ordinance would be subsequently declared invalid or unconstitutional.

Section 3. CEQA FINDINGS.

EXEMPTION FROM CALIFORNIA ENVIRONMENTAL QUALITY ACT. The City Council further finds that the enactment of these regulations pursuant to this Ordinance is determined to be exempt under Section 15061(b)(3) of Title 14 of the California Code of Regulations (the "State CEQA Guidelines") in that its adoption merely establishes a cannabis business permit program. It can therefore be foreseen that the enactment of this Ordinance does not have the potential to result in significant effects on the environment.

PASSED and ADOPTED this ____ day of _____ 2021.

SOFIA RUBALCAVA
Mayor

ATTEST:

ANTOINETTE M. MANN, MMC, CRM
CITY CLERK

APPROVED AS TO FORM
Gregory G. Diaz, City Attorney

By:  _____ 2/2/21
Megan Lorenzen Date
Assistant City Attorney